



2004

COMMUNICATIONS OVERVIEW



DFI EMPOWERED CONSUMERS...

Could you protect yourself from financial fraud? Would you know how to spot predatory lending practices? If you're like most people, the answer to both questions is no.

At the Department of Financial Institutions (DFI), one of our most important functions is to protect consumers against illegal financial transactions through industry regulation. Our department's ability to prevent fraud is strengthened when our enforcement efforts are enhanced with effective consumer education and outreach programs.

Numerous studies suggest that informed consumers make better financial decisions and can protect themselves from fraud. With this in mind, DFI took a proactive approach to raise consumer awareness of the department and create tools to help consumers avoid financial pitfalls.

Today, DFI's outreach efforts impact millions
of Washington consumers.

In the past, DFI's staff educated approximately 10,000 consumers annually through presentations at senior centers and high schools. In 2004, DFI's outreach program reached several million Washington consumers through a number of multi-media communication and marketing efforts.

Several of the partnerships and programs
highlighted in this report are
the first of their kind
in the nation.





Top to bottom:
 Predatory Lending Campaign billboard artwork, Payday Lending Campaign billboard artwork, Investment Fraud Campaign billboard artwork.

DFI CREATED EDUCATIONAL PUBLIC SERVICE CAMPAIGNS...

PREDATORY LENDING CAMPAIGN

DFI launched a television, radio, bus panel, and billboard campaign to raise consumer awareness of predatory lending. The statewide campaign encouraged consumers to be suspicious of high fees or penalties, resist pressure to finalize home loans quickly, and to sign documents only when they understand them. The PSAs featured Seattle jazz legend Ernestine Anderson and Jeanie Luna, a local predatory lending victim from Blaine, WA. The department received an average of 57 consumer telephone calls per day during the four week campaign.

CAMPAIGN LAUNCH: July 2004 – Four weeks	Target Audience: Adults Age 25-49			
Results:	Seattle	Spokane	Tri Cities	Pierce Co.
Television: average 2.6 million household viewings per week	✓	✓		
Radio: reached more than 286,000 consumers per week	✓	✓	✓	✓
Billboard: 96,400 viewings per day				✓
Bus Panels: 3 million gross impressions	✓	✓	✓	✓
Website: unique visits to predatory lending pages:	4,403			

PAYDAY LENDING CAMPAIGN

DFI raised consumer awareness of payday lending practices through radio, bus panel, and billboard announcements released in two phases. The statewide campaign encouraged consumers to consider their options and educated them about the fees associated with payday loans. DFI produced the radio spot in both Spanish and English.

PHASE 1: CAMPAIGN LAUNCH: August 2004 – Four weeks	Target Audience: Adults Age 25-49				
Results:	Seattle	Spokane	Tri Cities	Pierce County	Bangor/Keyport/ Bremerton
Radio: reached more than 212,000 consumers an average of 4 times per week	✓	✓	✓		
Billboard: 96,400 viewings per day				✓	
Bus Panels: 2.6 million gross impressions	✓	✓		✓	✓
Website: unique visits to payday lending pages:	1,199				

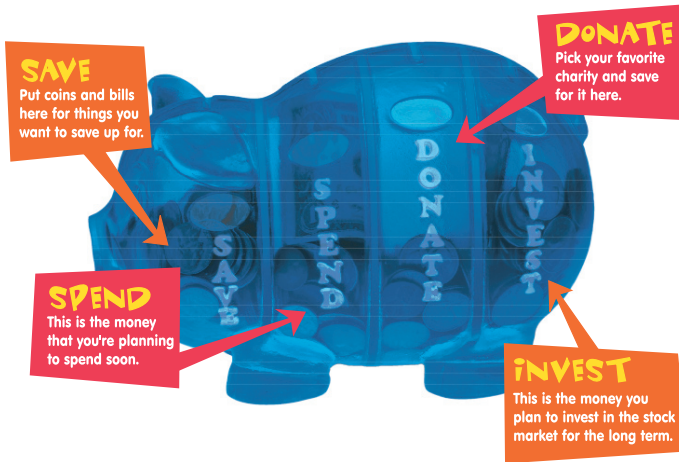
PHASE 2: CAMPAIGN LAUNCH: October 2004 – Four weeks	Target Audience: Men Age 25-34				
Results:	Seattle	Spokane	Tri Cities	Pierce County	Bangor/Keyport/ Bremerton
Radio: reached more than 308,000 consumers an average of 3 times per week	✓	✓	✓		
Billboard: 96,400 viewings per day				✓	
Bus Panels: 5.3 million gross impressions	✓	✓		✓	✓
Website: unique visits to payday lending pages:	995				

INVESTMENT FRAUD CAMPAIGN

DFI raised consumer awareness of investment fraud through radio, bus panel, and billboard announcements. The campaign targeted adults in the Seattle and Spokane markets and encouraged consumers to ask questions before they invest.

CAMPAIGN LAUNCH: November 2004 – Four weeks	Target Audience: Adults Age 55+				
Results:	King County	Spokane	Tri Cities	Pierce County	Snohomish County
Radio: reached more 259,000 consumers an average of 4.75 times per week	✓	✓			
Billboard: 96,400 viewings per day				✓	
Bus Panels: 9.8 million gross impressions	✓	✓		✓	✓
Website: unique visits to investment fraud pages:	1,143				

DFI PROVIDED FINANCIAL LITERACY CURRICULUM



After researching financial literacy programs across the nation, the department sponsored a pilot project with Parent's Choice award-winner, Money Savvy Generation. DFI received a grant to introduce Money Savvy Kids to 50 second-grade classrooms across the state in the fall of 2004. The pilot project incorporated a broad group of children and their families – both geographically and socio-economically. Washington was one of the first state regulators to pilot a project of this kind.

“Parents were very impressed with the money tips and information about saving for various things. I would love to do it again!”

-CARRIE KUHLMAN, MCDONALD ELEMENTARY SCHOOL

“... the lesson about charity last week had a huge impact on several of my students. This morning I opened the classroom door and an excited student greeted me with a bag of coins and bills and told me he and his sister had walked dogs and sold lemonade and cookies all weekend to earn money for the food bank.”

-KRISTIE HUMPHREYS,
ORCHARD HEIGHTS ELEMENTARY SCHOOL



TO ELEMENTARY SCHOOLS...

The eight-week curriculum informs students about the essentials of money management – saving, spending, donating, and investing. Money Savvy Kids meets Washington Essential Academic Learning Requirements for Social Studies and Economics.

Prior to the 2004 school year, teacher training sessions were held in Seattle, Yakima, and Spokane. Each classroom received lesson books, a CD-ROM, newsletters, and a Money Savvy piggy bank for every student.

The pilot continues through May 2005. Students and parents will be tested to measure the impact of financial literacy in the classroom and at home. Results of the testing will be available at the end of the school year.

DFI ADDRESSED THE FINANCIAL “SMARTS” OF COLLEGE STUDENTS...

When DFI discovered that very few financial education materials were available for college-aged students, the department researched options to fill the void. The department is partnering with the National Endowment for Financial Education (NEFE) to write and design a Washington-specific workbook for distribution to college students. DFI and NEFE anticipate a 2005 launch date. This is the first time that a state regulator has partnered with NEFE to create a project of this nature.

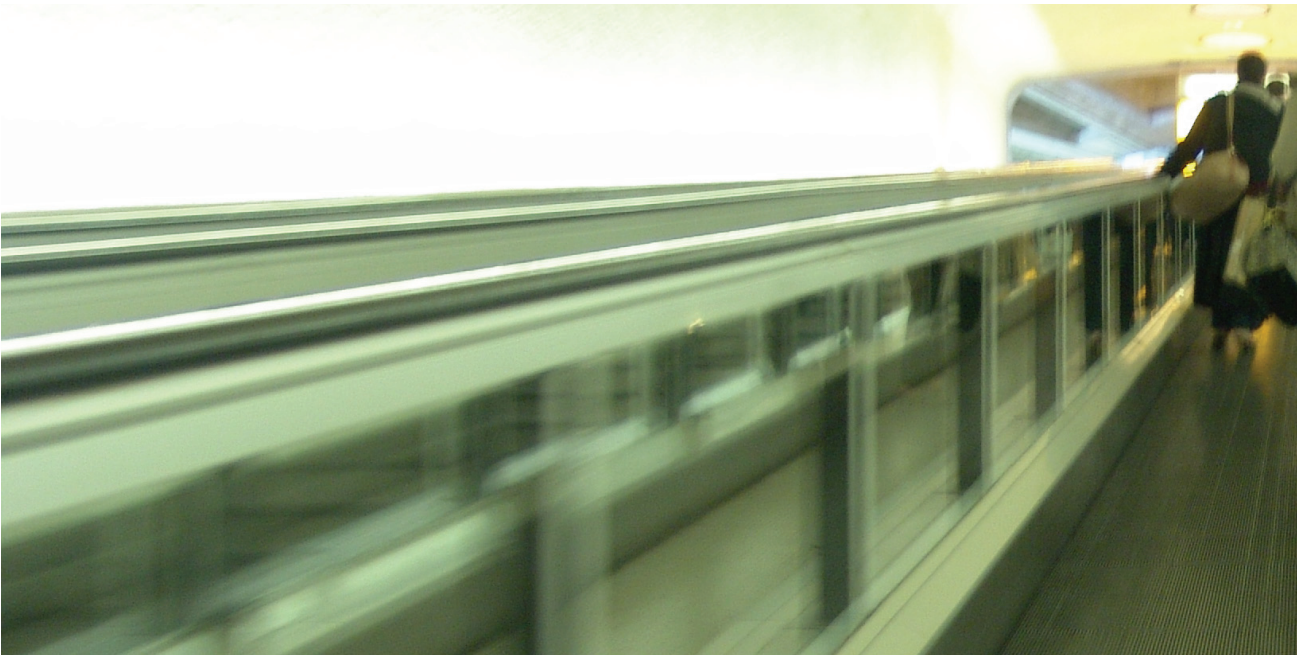


DFI PARTNERED WITH OTHERS TO MAXIMIZE CONSUMER OUTREACH...

To increase awareness of DFI's services, the department developed partnerships with state and federal agencies, and private industry associations such as: AARP, the Attorney General's Office, Better Business Bureau, Consumer Protection Roundtable, Commission on African-American Affairs, Department of Labor and Industries, Federal Trade Commission, Hispanic Chamber of Commerce, Hispanic Roundtable, and the Seattle/King County Coalition for Responsible Lending. With these partnerships, DFI participated in several programs, tradeshow, and presentations across the state to raise the awareness of financial fraud. The partnerships maximized the department's ability to reach a larger number of consumers.

The department helped train over 2,170 seniors through involvement in the Fraud Fighter Taskforce. The taskforce held all-day training sessions throughout the state to help seniors spot fraud. In turn, the seniors shared the information within their communities. The program was sponsored by AARP and the Attorney General's Office.

In the fall, DFI co-sponsored the Latino Youth Summit in partnership with the Hispanic Roundtable and Hispanic Women's Network. The event was developed to educate Hispanic youth about the importance of financial responsibility and to encourage them to stay in school. Over 100 students attended and 25 agencies participated.



DFI and the Department of Labor and Industries partnered to increase their outreach efforts at home shows across the state. DFI provided prospective home buyers with information about choosing mortgages wisely and protecting themselves from fraudulent and deceptive loan practices. By sharing booth space, both departments benefited by splitting the costs.

DFI partnered with Washington Women's Employment & Education (WWEE), a non-profit agency. WWEE provides job readiness training and support services to low-income residents of Pierce and King counties. Quarterly, DFI presented financial literacy workshops.

The executive team members routinely gave presentations to regulators, industry professionals, and trade group representatives. Chuck Cross, Director of the Division of Consumer Services, gave a series of presentations highlighting the predatory lending study commissioned by DFI. He hosted a Multi-State Regulator Roundtable including Idaho, Montana, Oregon, Utah, and Washington.

On several occasions, Linda Jekel, Director of the Division of Credit Unions, presented an overview of Washington's experience with charter conversions.

Joe Vincent, General Legal Counsel, presented recent legislation on "Check 21" to the Financial Manager Advisory Council. He presented "Federal OCC Preemption" to the American Bar Association and the Seattle/King County Coalition for Responsible Lending. In addition, he introduced DFI's payday lending and predatory lending campaigns at the Washington Statewide Legal Services Conference in conjunction with the Northwest Justice Project.



DFI WORKED WITH THE MEDIA...

Establishing DFI as an information resource for local and national reporters was a goal in 2004. The department regularly proposed stories about administrative actions, consumer outreach initiatives, and issues such as predatory and payday lending. The staff was routinely called to provide background information -- handling hundreds of calls from local and national reporters.

DFI received regular coverage in publications such as the Puget Sound Business Journal, Seattle Times, Tacoma News Tribune, and Spokesman Review. DFI received national attention in publications such as the New York Times, Wall Street Journal, Credit Union Times, and the American Banker.

Home Loans Interactive CD-ROM

DFI developed an interactive CD-ROM outlining the basics of the home loan process. The CD covers topics such as: the basic steps to securing a home loan, an explanation of disclosure documents, tips on avoiding predatory loans, reverse mortgages, and a glossary of common mortgage terms. It also features checklists and samples of various forms, in addition to mortgage calculators and web links to several helpful resources.

The CD is distributed at fairs and speaking engagements, at first time home buyers seminars, by real estate and mortgage brokers, and available on DFI's website. The CD was promoted during July's television and radio predatory lending campaign. In the first month, over 1,200 consumers placed orders. The project is the first of its kind to be created by a state financial regulator.



2003 DFI Annual Report

The department introduced a new, updated look for the fiscal year 2003 annual report. The publication was expanded to include more information about DFI's accomplishments and participation with national boards and committees. Olympia artist, Owen Freeman, developed the layout of the report using photographs from the portfolio of Consumer Services Director, Chuck Cross.

DFI REVITALIZED EXISTING ELECTRONIC COMMUNICATION TOOLS...

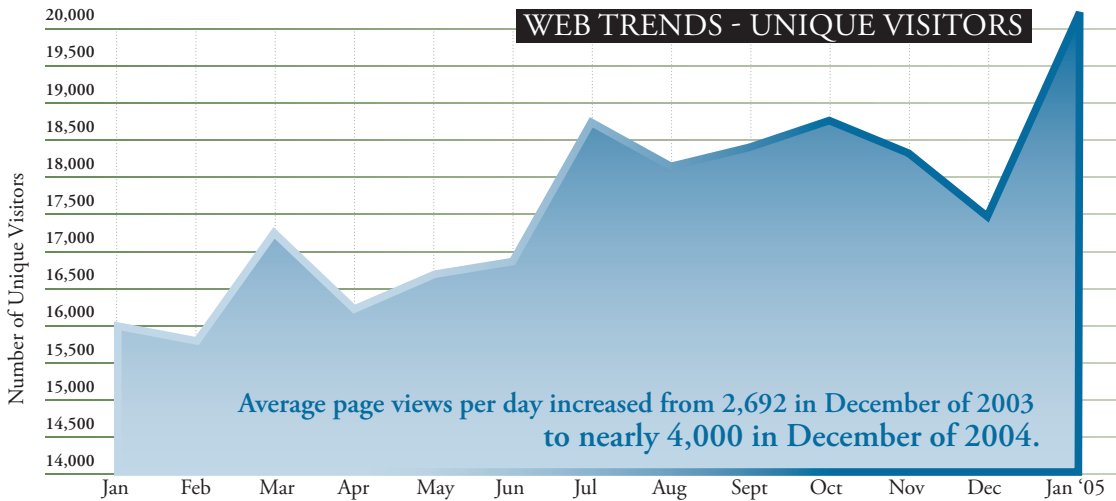


The website is an essential part of DFI's educational program, allowing DFI to reach a larger audience. It provides the most cost-effective means for DFI to share information with internal and external customers. In 2004, the department launched a redesigned, consumer-focused website.

DFI reorganized the content to make it easier for consumers and licensees to find information. Other enhancements included: a detailed site map, improved search functions, page print features, feedback and survey forms, plus an expanded consumer education section. The site also incorporated DFI's new logo and created consistency with the department's new publications and PSA campaigns.

The chart below measures the number of unique visitors who accessed the site in 2004. Awareness grew throughout the year. The largest increases, beginning with July, correlated to the launch of DFI's four PSA campaigns.

The number of page views for consumer-related pages **increased from 47,729 early in 2004 to 51,838** in the last quarter.



“My congratulations to you for creating such a well designed, easy to navigate and very informative website! It makes me very pleased to see my tax dollars well spent. I'm sure this will be of help to many people.”

- FEEDBACK RECEIVED FROM A RECENT WEB VISITOR



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